

The Capital Markets Act

Chapter 485A of the Laws of Kenya

Regulation 4(3) of the Capital Markets (Take-overs and Mergers) Regulations, 2002



Public Announcement

Acquisition by Stanbic Africa Holdings Limited of up to 59,000,000 additional ordinary shares in the issued share capital of Stanbic Holdings Plc

Pursuant to Regulation 4(3) of The Capital Markets (Take-overs & Mergers) Regulations, 2002 (the "Take-over Regulations"), we, Stanbic Africa Holdings Limited ("SAHL"), hereby announce to the public that we have on 15 March 2018 served on Stanbic Holdings Plc ("Stanbic Holdings") notice of our intention to acquire up to 59,000,000 additional ordinary shares in Stanbic Holdings by means of a tender offer (the "Tender Offer") made to all the other shareholders of Stanbic Holdings.

1. The Proposed Offeree

The proposed offeree is Stanbic Holdings, a public limited company incorporated under the laws of Kenya (company number RC 1018051), listed on the Main Investment Market Segment of the Nairobi Securities Exchange, whose registered office is Stanbic Centre, Chiromo Road, P.O. Box 72833-00200, Nairobi and which is licensed, as a non-operating holding company, by the Central Bank of Kenya.

Further information in relation to Stanbic Holdings is available on its website at <https://www.stanbicbank.co.ke/kenya/About-Us/Investor-relations>

2. The Proposed Offeror

The proposed offeror is SAHL, a private limited liability company incorporated under the laws of England and Wales with its registered office at 20 Gresham Street, London, EC2V 7JE, United Kingdom.

SAHL is a wholly owned subsidiary of Standard Bank Group Limited ("SBG") and serves as the holding company for the majority by number of SBG's African banking operations. SBG is headquartered in Johannesburg, has a primary listing on the Johannesburg Stock Exchange and a secondary listing on the Namibian Stock Exchange and through its subsidiaries operates in 20 African countries offering various banking, investment, and lending products and services to individuals, businesses, and corporate clients. Subsidiary banks or their respective holding companies are listed on exchanges in Kenya, Malawi, Nigeria and Uganda.

Further details on SBG, including its annual financial reports, details of directors, core activities, management and major shareholders can be found on its website at <http://www.standardbank.com>. Additional reporting information is available at <http://reporting.standardbank.com>.

3. Current Shareholding by SAHL in Stanbic Holdings

As at the date of this announcement, SAHL (through Stanbic Nominees Limited, on its behalf) holds 237,192,981 ordinary shares in the capital of Stanbic Holdings ("Ordinary Shares"), which represents 60 per cent of the issued share capital of Stanbic Holdings.

SAHL therefore currently has effective control of Stanbic Holdings within the meaning of the Take-over Regulations.

4. Proposed Acquisition of Additional Shares of Stanbic Holdings by SAHL

SAHL proposes to acquire up to an additional 59,000,000 Ordinary Shares (the "Additional Shares") in Stanbic Holdings, representing just under 15 per cent of the issued share capital of Stanbic Holdings, through the Tender Offer.

The price payable for each Ordinary Share tendered in the proposed Tender Offer is Kenya Shillings 95.00, which price is inclusive of the right for SAHL to receive the final dividend of up to Kenya Shillings 4.00 per Ordinary Share in respect of the 2017 financial year proposed by the Board of Directors of Stanbic Holdings on 2 March 2018 for approval by shareholders of Stanbic Holdings at the Annual General Meeting to be held on 12 June 2018 and to be paid to shareholders shortly thereafter.

Further details of the proposed Tender Offer will be set out in a detailed tender offer document, which will also be made available, subject to regulatory approval, to each shareholder in Stanbic Holdings (the "Tender Offer Document"). SAHL also intends to publish, subject to regulatory approval, an abridged version of the Tender Offer Document in two national newspapers.

As will be explained in more detail in the Tender Offer Document, the Tender Price represents:

- a premium of 15.7 per cent to the volume weighted average price (VWAP) at which Ordinary Shares of Stanbic Holdings traded on the Nairobi Securities Exchange for the past 30 trading days up to 14 March 2018 (the last day on which Stanbic Holdings shares traded before SAHL submitted this Notice of Intention);
- a premium of 14.5 per cent to the daily average (cum-dividend) trading price at which Ordinary Shares traded on 14 March 2018;
- a premium of 16.5 per cent over the tangible accounting book net asset value per Ordinary Share (as at 31 December 2017);
- a Tender Price to tangible accounting book net asset value multiple of 1.16 times (as at 31 December 2017); and
- a Price to Earnings per Share multiple of 8.72 times (for the financial year ended 31 December 2017).

If the Tender Offer is accepted in full, SAHL will hold 296,192,981 Ordinary Shares in Stanbic Holdings, which would represent just under 75 per cent of the issued share capital of Stanbic Holdings.

5. Application for Exemption from the requirement to make a Take-over Offer

SAHL (and its parent company, SBG) regards Kenya as one of its strategic growth markets that will help SBG to fulfil its mission to be the leading financial services organisation in, for and across Africa, delivering exceptional client experience and superior value. The proposed acquisition by SAHL of the Additional Shares is part of SBG's commitment to, and focus on, growing the business in the African continent and demonstrates SBG's long-term confidence in Stanbic Holdings and in the Kenyan banking market and economy generally.

SBG intends to maintain Stanbic Holdings' listing on the Nairobi Securities Exchange following completion of the Tender Offer.

As such, SAHL does not intend to make a take-over offer for Stanbic Holdings within the meaning of the Take-over Regulations. SAHL will apply to the Capital Markets Authority (the "CMA") in accordance with Regulation 5(1) of the Take-over Regulations for an exemption from complying with the requirement to make a take-over offer on the basis that the proposed acquisition of the Additional Shares is for the purpose of a strategic investment in a listed company that is tied up with management or any other technical support relevant to the business of such company; permitting such an exemption will allow the maintenance of domestic shareholding for strategic reasons; and permitting such an exemption serves the public interest.

6. Persons acting in concert

SAHL is not acting in concert with any person (whether pursuant to a formal or informal agreement or understanding) in relation to the acquisition of the Additional Shares or the consolidation of control of Stanbic Holdings.

Various subsidiaries of SBG other than SAHL do own or hold shares in Stanbic Holdings from time to time in the course of providing financial services to their clients; however, these entities are not acting in concert with SAHL and, to the extent relevant and necessary, will consider the Tender Offer strictly under the provisions of their respective client mandates.

7. Conditions

The Tender Offer is entirely subject to and conditional on:

- the approval from the CMA and the CMA granting the exemption sought pursuant to Regulation 5(1) of the Take-over Regulations; and
- necessary regulatory approvals including but not limited to approvals from the Central Bank of Kenya, and will not commence if these approvals and exemptions are not granted.

If these conditions are met, it is expected that the Tender Offer will open at 9:00 a.m. on 9 April 2018 and will be open to holders of Ordinary Shares on the relevant closing dates of the Tender Offer (see below).

The Tender Offer will close in two phases:

- First Closing:** the first phase of the offer will close at 5:00 p.m. on 27 April 2018 (the "First Closing Date"); and
Second Closing: the second and final phase of the offer will close at 5:00 p.m. on 18 May 2018 (the "Second Closing Date").

A holder of Ordinary Shares will only be permitted to tender their Ordinary Shares in the Tender Offer if at the First Closing Date or the Second Closing Date, as applicable, such shares are free from all pledges, liens and other encumbrances.

In accepting tenders SAHL intends to give preference to shareholders on the register of members on 15 March 2018 (the date of the Notice of Intention) in respect of the shares held by them at that date, up to a maximum of 10,000 Ordinary Shares.

In order to facilitate the settlement of the Tender Offer and ensure that Ordinary Shares tendered in the Tender Offer can be transferred, an application will be made for trading in Stanbic Holdings' Ordinary Shares to be suspended for ten business days post the Second Closing Date, expected to be from 8:00 a.m. on 21 May 2018 until 5:00 p.m. on 31 May 2018.

A copy of this announcement is available at <http://reporting.standardbank.com/stanbicoffer.php>. Copies of further public documents relating to the Tender Offer, will also be available upon receipt of regulatory approval from the same website.

Dated 15 March 2018
By order of the Board
Stanbic Africa Holdings Limited